

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

POST OFFICE STRUCTURE PLAN

Docket No. N2012-2

**UNITED STATES POSTAL SERVICE RESPONSES TO QUESTIONS 1-3 OF
PRESIDING OFFICER'S INFORMATION REQUEST NO. 5**
(July 16, 2012)

The United States Postal Service provides institutional responses to Questions 1-3 of Presiding Officer's Information Request No. 5, dated July 12, 2012. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE TO PRESIDING OFFICER'S
INFORMATION REQUEST NO. 5**

1. What is the Postal Service's policy with regard to lease negotiations?

RESPONSE

The Postal Service's policy regarding lease negotiations is available in Handbook RE-1, filed as Library Reference USPS-LR-N2012-2/10.

**RESPONSE OF UNITED STATES POSTAL SERVICE TO PRESIDING OFFICER'S
INFORMATION REQUEST NO. 3**

2. How will it balance these factors when it negotiates renewal of leases?

RESPONSE

In the context of lease renewal negotiations, the Postal Service will balance factors consistent with the policies established in Handbook RE-1, filed as USPS Library Reference USPS-LR-N2012-2/10. The Postal Service aims to negotiate a market-based rate that is fair to both the lessor and the tenant. As stated by witness Day during oral cross-examination, when negotiating the renewal of leases, the Postal Service will consider changes in the market lease rates applicable to a Post Office location.

RESPONSE OF UNITED STATES POSTAL SERVICE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 3

3. If leases cannot be renegotiated in the currently operating facility, what are the Postal Service's plans to avoid suspensions and maintain service in communities where it has committed to ongoing service?

RESPONSE

Postal Service policy provides that suspensions should be avoided, and Section 617 of Handbook PO-101 states that "[w]herever possible ... local management should ... seek to continue operations as long as necessary..." If leases cannot be renegotiated in the currently operating facility, the Postal Service will look for a suitable alternative facility. If a suitable alternative facility cannot be found, a discontinuance study will be initiated.

Consistent with current practice and Handbook PO-101, if a discontinuance study is initiated, the Postal Service will determine an appropriate plan to continue to provide postal services to the impacted community. The Postal Service will select a method for continuing service consistent with section 23 of Handbook PO-101, which requires the maintenance of effective, regular service. The Postal Service has multiple options for providing services to the community, including alternate access channels, nearby retail facilities, carrier service, and a Village Post Office.